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RECEIVED

November 13, 2002

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Ex Parte

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re. *Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of Irr-Region, InterLATA Services in Florida and Tennessee, WC Docket No. 02-307*

Dear Ms. Dortch:

At the request of Commission Staff, AT&T is herewith providing a preliminary estimate of the effect of the double count of inflation as a result of the Florida Public Service Commission's erroneously allowing BellSouth to include inflation in both the cost of capital and the asset base. The numbers derived as a result of running the BellSouth model with its rates as filed both including and excluding the double count of inflation show that the 2 wire loop rate is reduced from \$19.41 to \$18.62, a difference of 4.1 percent. The 2 wire analog port rate is reduced from \$1.40 to \$1.38, a difference of 1.4 percent.

This estimate clearly understates the real impact of the double count as it does not take into account the changes required by the Florida Commission as part of its ruling as reflected in the compliance run. As one example, the Florida Commission allowed BellSouth to include a separate inflation factor for engineering costs, which has the effect of triple counting inflation and is clearly not reflected in the numbers being provided today.

AT&T is still working to develop a more accurate estimate of the double count based on the Florida Commission's compliance run and hopes to be in a position to submit that data by Friday, November 15

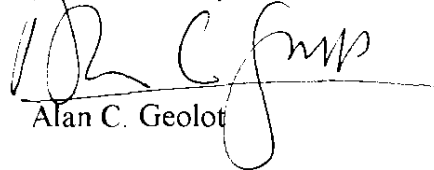
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In accordance with Commission Rule 1.1206, I am filing this document electronically and ask that you place it in the record of the proceeding listed above. Thank you for your consideration in this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read "AC Geolot", written over a horizontal line. The signature is stylized with a large "A" and "G".

Alan C. Geolot

cc J Dygert
J Swift